



State of Rhode Island and Providence Plantations
Council on Postsecondary Education
OFFICE OF THE POSTSECONDARY COMMISSIONER
560 Jefferson Boulevard, Suite 100
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Enclosure 7d
November 15, 2017

Barbara S. Cottam
Chair

November 15, 2017

**Council on Elementary and
Secondary Education**

Daniel P. McConaghy
Chair

TO: Members of the RI Board of Education

FROM: Brenda Dann-Messier, Ed.D, Commissioner

RE: Approval of FY 2019-2023 Capital Improvement Plan

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Background

Under the provisions of Rhode Island General Law §16-59-1, the Council on Postsecondary Education has authority over all property operated by the state's higher education institutions. The Council also makes recommendations to the Board of Education regarding budgetary matters, including expenditures for capital improvement. As part of the annual budget submission, the Office of the Postsecondary Commissioner compiles a five-year Capital Improvement Plan, which combines Capital Improvement Programs for the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island and includes both new and continuing projects.

Capital Improvement Plan FY 2019-2023:

The Office of the Postsecondary Commissioner has compiled the five-year recommendations of each institution into the Capital Improvement Plan for FY 2019-2023. The plan was vetted by the Council's Finance and Facilities Committee at its meetings on October 11, 2017 and October 18, 2017. With the Committee's recommendation, it now proceeds for discussion and recommendation of the Council on Postsecondary Education at its meeting on October 25, 2017. The Board of Education will receive the Council's recommendation for approval at its meeting of November 15, 2017.

The complete report is assembled as follows:

- Section 1 – This summary letter

- Section 2 – Context and Background Information for the Capital Improvement Plan
 - This section contains a listing of the following information referenced by the plan including:
 - Project categories
 - Categories of institutional funding available
 - Funding Sources – Debt Related
 - Funding Sources – State Funding
- Section 3 – Executive Summary of the Proposed Plan
- Section 4 – Status Report for Each Project per the Cash Flows by Year
- Section 5 – Detailed Narratives of Each Project as Proposed

For your convenience, the attached summary will provide you with a two-page overview of the complete plan as submitted with highlighting related to those projects that were included in the Finance Committee’s recommendation for approval.

The Council on Postsecondary Education – During the meeting of October 25, 2017, the Council received an overview of the components of the Capital Improvement Plan and institutional representatives were available for questions and discussion. After discussion about the plan, the Council on Postsecondary Education has approved the Capital Plan for FY 2019-2023 as presented and has recommended to the Board of Education for approval.

The Board of Education will review the Capital Improvement Plan for FY 2019-2023 with an opportunity to discuss it. The Board will then be asked for its approval of the plan for submission to the Office of Management and Budget.

Once the Capital Plan has been submitted to the Governor, she will have the option to amend it according to the executive branch’s statewide planning. Thereafter, it goes to the legislature for inclusion in the Budget Appropriation Act for FY 2019.

Brief summary of the proposed plan:

A total of 52 projects are included in this five-year plan. Of those continuing and new projects, 50 are classified as continuing projects, and 2 are classified as new projects. The total projected capital cost for all projects for the period FY 2019 through FY 2023 is \$1.4 billion. Of that amount, \$853.1 million is at the University, \$489.9 million is at the College and \$59.9 million is at the Community College. Also included in continuing projects is the shared Nursing Education Center for the University of Rhode Island and Rhode Island College for \$12.4 million reflecting its revised financing structure. Please note that, as a matter of convenience only, this project is included in the University’s list.

These capital projects are to be financed by a variety of debt instruments, as well as other financing sources, including general obligation bonds issued by the State of Rhode Island, revenue bonds issued by the Council on Postsecondary Education through the Rhode Island Health and Educational Building Corporation (RIHEBC), Rhode Island Capital Funds, federal funds, asset protection funds, and private donations. The funding plan proposal by source is as follows:

<i>(in millions)</i>	Continuing	New	Total
General Obligation bonds	\$ 326.3	\$ -	\$ 326.3
RIHEBC Bonds	\$ 205.0	\$ -	\$ 205.0
RI Capital Funds	\$ 297.2	\$ -	\$ 297.2
Private Funds	\$ 33.8	\$ -	\$ 33.8
University/College funds	\$ 48.2	\$ 5.2	\$ 53.4
Other	\$ 367.3	\$ 120.0	\$ 487.3
Total	\$ 1,277.9	\$ 125.2	\$ 1,403.1

The following table gives an overview of funding by fiscal year as requested in the full plan alongside the recommendations from the Finance and Facilities Committee:

	Full Plan	As Recommended by the Finance Committee
Pre-2018	\$287,274,145	
2018	195,805,607	\$195,805,607
2019	182,317,584	182,317,584
2020	145,380,617	145,380,617
2021	149,669,054	
2022	113,405,509	
2023	136,368,675	
Post-2023	1992,843,078	
Totals	\$1,403,064,267	\$523,503,807

Each institution uses its own process in the development of its capital plan. For the College and the Community College, the plans are closely tied to their individual Master Plans. The University, however, has a larger agenda of development. URI, as many flagships, will create a Capital Plan that includes all of its considerations for the outer years in order to allow their development campaigns to search for outside parties who may be interested in funding particular endeavors. These plans are often not requests aimed at State support as

much as they are a telegraphing of interests in the distant future. Some of them will come forward in future CIPs but others will drop off or will remain in the outer years.

With that difference in mind, it is my recommendation that the Board reviews and approves the Capital Improvement Plan for FY 2019-2023 as presented.

Therefore I recommend that:

The Board of Education approve the Capital Improvement Plan for FY 2019-2023 as presented. It will then submit the plan to the State Budget Office for review and inclusion in the Governor's recommended budget.